

# **Washington State Auditor's Office**

## **Audit Report**

### **Audit Services**

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Report No. 57919

**CITY OF OAKVILLE**

Grays Harbor County, Washington

January 1, 1994 Through December 31, 1995

Issue Date: December 27, 1996

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CITY OF OAKVILLE  
Grays Harbor County, Washington  
January 1, 1994 Through December 31, 1995

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**Independent Auditor's Report On Compliance With State  
Laws And Regulations**

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Mayor and City Council  
City of Oakville  
Oakville, Washington

We have audited the financial statements, as listed in the table of contents, of the City of Oakville, Grays Harbor County, Washington, as of and for the fiscal years ended December 31, 1995 and 1994, and have issued our report thereon dated November 12, 1996.

We also performed tests of compliance with state laws and regulations as required by *Revised Code of Washington* (RCW) 43.09.260. This statute requires the State Auditor to inquire as to whether the city complied with the laws and the *Constitution of the State of Washington*, its own ordinances and orders, and the requirements of the State Auditor's Office.

Compliance with these requirements is the responsibility of the city's management. Our responsibility is to make a reasonable effort to identify any instances of misfeasance, malfeasance, or nonfeasance in office on the part of any public officer or employee and to report any such instance to the management of the city and to the Attorney General. However, the objective of our audit of the financial statements was not to provide an overall opinion on compliance with these requirements. Accordingly, we do not express such an opinion.

The results of our tests indicated that, with respect to the items tested, the city complied, in all material respects, with the applicable laws and regulations referred to in the preceding paragraphs. However, we noted an instance of noncompliance of regulatory requirements immaterial to the financial statements which is identified in the Schedule of Findings accompanying this report. With respect to items not tested, nothing came to our attention that caused us to believe that the city had not complied, in all material respects, with those provisions.

This report is intended for the information of management and the mayor and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

Brian Sonntag  
State Auditor

November 12, 1996

CITY OF OAKVILLE  
Grays Harbor County, Washington  
January 1, 1994 Through December 31, 1995

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Schedule Of Findings

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1. Annual Financial Reports Should Be Prepared And Submitted Within The Prescribed Reporting Period

The City of Oakville is required to prepare an annual financial report which presents the city's fund resources and uses for each calendar year. The reports should be submitted to the State Auditor's Office by May 30 of the following year. The city did not file its 1994 annual report until August 1995 and its 1995 annual report has yet to be filed.

RCW 43.09.230 states in part:

The state auditor shall require from every taxing district and other political subdivisions financial reports covering the full period of each fiscal year  
. . .

Such reports shall be prepared, certified, and filed . . . within one hundred fifty days after the close of each fiscal year.

Late financial reports restrict the access of financial information to the city council, the public, and state and federal agencies. It also delays the State Auditor's Office in compiling statistical and financial information required by the state legislature.

City management stated that this situation occurred because they had not assigned a high priority to financial reporting.

We recommend that the city ensure annual reports are submitted in a timely manner.

Auditee's Response

*We concur with the facts as presented in the finding. We will make every effort to comply with the reporting requirements in the future.*

Auditor's Concluding Remarks

Based upon the city's response it appears corrective action will be taken. We will review this issue again at our next regular audit of the city.

We would like to thank the staff of the City of Oakville for their cooperation and assistance throughout the course of the audit.

CITY OF OAKVILLE  
Grays Harbor County, Washington  
January 1, 1994 Through December 31, 1995

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**Status Of Prior Findings**

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The findings contained in the prior audit report were resolved as follows:

1. Public Funds Were Misappropriated In The Municipal Court

*Resolution: The city recovered the misappropriated \$890.70 but did not recover related audit/investigation costs from their insurance bonding company. The case was turned in to the Gray's Harbor County Prosecuting Attorney's Office for their review. The city implemented an effective system of internal controls designed to ensure the protection of city assets. The city has substantially resolved this issue.*

2. The Court Clerk Received Excess Compensation From The City Of Oakville

*Resolution: The city did not recover payroll overpayments of \$629.81 from the court clerk.*

**CITY OF OAKVILLE**  
**Grays Harbor County, Washington**  
**January 1, 1994 Through December 31, 1995**

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**Independent Auditor's Report On Financial Statements And Additional  
Information**

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Mayor and City Council  
City of Oakville  
Oakville, Washington

We have audited the accompanying statements of Fund Resources and Uses Arising from Cash Transactions of the various funds of the City of Oakville, Grays Harbor County, Washington, for the fiscal years ended December 31, 1995 and 1994. These financial statements are the responsibility of the city's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1C to the financial statements, the city prepares its financial statements on the cash basis of accounting that demonstrates compliance with Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the recognized revenues and expenditures of the funds of the City of Oakville for the fiscal years ended December 31, 1995 and 1994, on the cash basis of accounting described in Note 1C.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedules of Long-Term Debt and Schedule of State Financial Assistance are presented for purposes of additional analysis and are not a required part of the financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Brian Sonntag  
State Auditor

November 12, 1996